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Iraq

Status Report

November 4, 2009



Bureau of Near Eastern Affairs
U.S. Department of State

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HIGHLIGHTS



- **Iraq's Independent High Electoral Commission Warns That If the Election Law is Not Passed Soon the Elections May Be Delayed (*POLITICAL*, page 4).**
- **UN Official and Turkish Foreign Minister Visit Iraq (*DIPLOMATIC*, page 8).**
- **BP and CNPC Sign Final Agreement for Rumaila Field (*ECONOMIC*, page 10).**

POLITICAL - Governance & Legislation

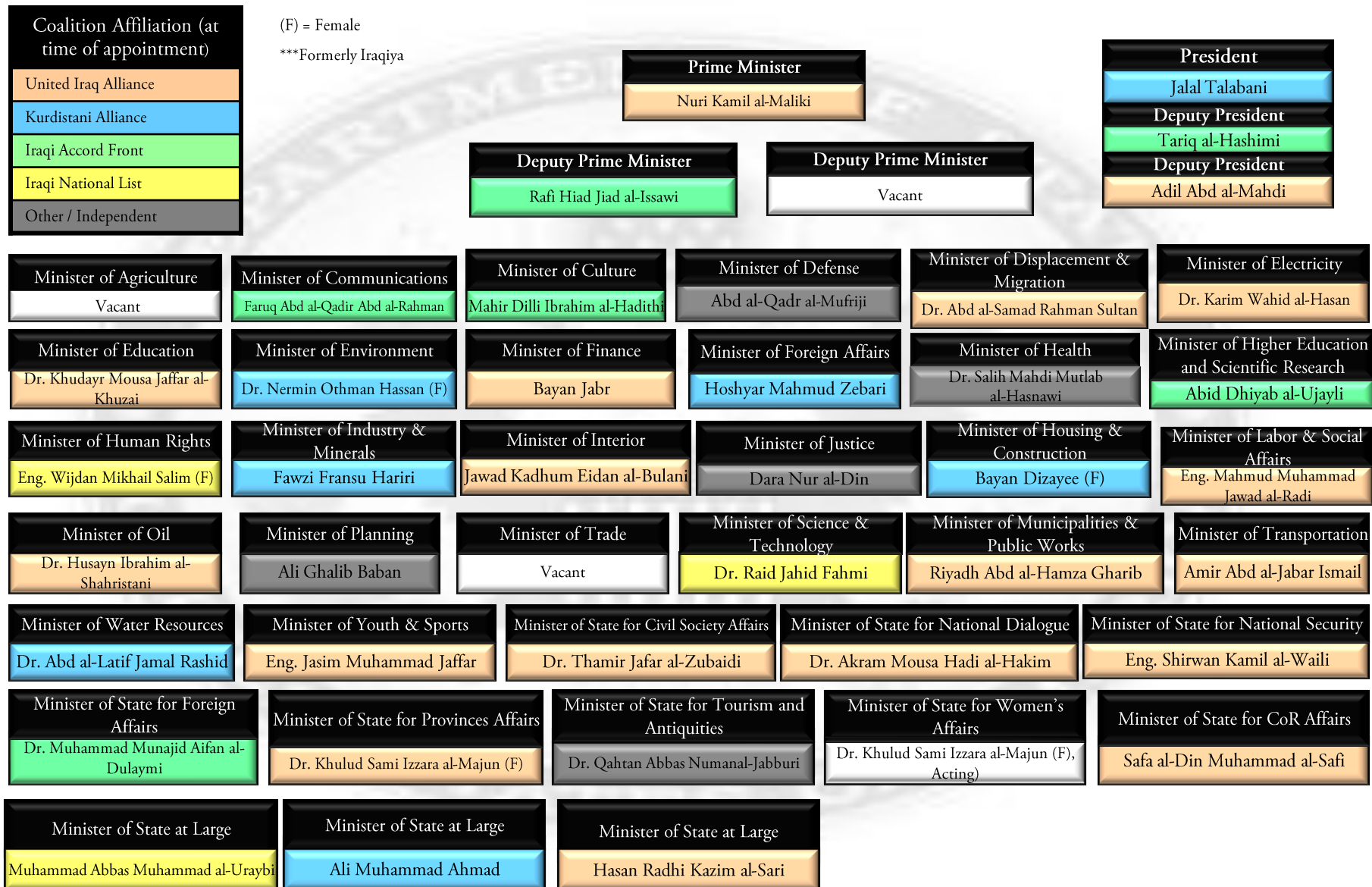


Elections law still under debate

Iraqi Officials Continue to Debate Elections Law:

- As of Thursday, November 5, the Iraqi Council of Representatives had yet to pass an election law. The issue of Kirkuk remained the primary area of contention. The Chairman of Iraq's Independent High Electoral Commission, Faraj al-Haidari, warned that if the election law was not passed soon the elections could be delayed.

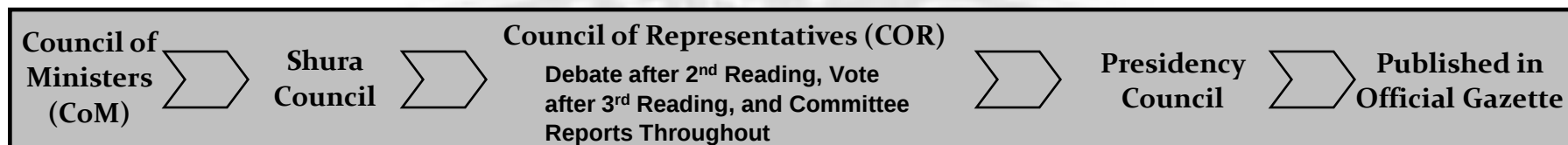
POLITICAL – Government of Iraq





POLITICAL – Key Legislative Issues

Legislative Process



- **Hydrocarbons Package:** The Framework Law was resubmitted to the Oil and Gas Committee on October 26, 2008 and then returned to the Council of Ministers. There has been no progress on the other three laws in the package.
- **NGO Law:** This law will regulate the operations and funding of Non-Governmental Organizations operating within Iraq. It received its first reading in the Council of Representatives on April 20, 2009.
- **National Elections Law:** A draft of a proposed national elections law is in committee but has not been finalized.

POLITICAL - Refugee Update



- **There are 295,304 Iraqi refugees currently registered with UNHCR in neighboring countries. There are likely significant numbers of unregistered refugees as well. UNHCR reports that 1.5 million Iraqis displaced by sectarian violence following the Samarra Mosque bombing of February 2006 remain internally displaced in Iraq.**
- **In FY09, the State Department's Bureau of Population, Refugees and Migration contributed \$ 303.4 million to international organizations and nongovernmental organizations to assist displaced Iraqis inside the country and in the region.**
- **The U.S. admitted 18,838 Iraqi refugees in FY09.**
- **Since the program's inception in FY07, 35,162 Iraqi refugees have been admitted for U.S. resettlement.**
- **As of June 2009, a total of 770 Special Immigrant Visa (SIVs) have been issued for Iraqi translators and interpreters since FY08 (under the Section 1059 program).**
- **As of June 2009, a total of 2,081 SIVs have been issued for Iraqis employed by or on behalf of the U.S. government since FY08 (under the Section 1244 program).**
- **Secretary of State Hillary Clinton announced July 24 that the United States was contributing more than \$100 million in new assistance to support the return and reintegration of displaced Iraqis.**

DIPLOMATIC – Political Engagement



UN official and Turkish Foreign Minister visit Iraq

UN Envoy Visits Baghdad:

- On Monday, November 2, Iraqi Prime Minister Nuri al-Maliki met with UN Assistant Secretary General Oscar Fernandez-Taranco, who was in Baghdad at the request of the Government of Iraq to discuss foreign involvement in recent attacks. According to the Prime Minister's office, Maliki urged the UN to take action saying that "it is time for the UN to act to stop the bloodshed."

Turkish Foreign Minister Visits Basrah, Erbil, and Mosul:

- Starting on Friday, October 30, Turkish Foreign Minister Ahmet Davutoglu visited Iraq, making stops in Basrah, Erbil, and Mosul. He became the first Turkish Minister to visit the Kurdistan Regional Government (KRG) in Iraq and he also met with KRG President Massoud Barzani. While in Basrah, Davutoglu presided over the opening of a new Turkish consulate.

ECONOMIC – Oil



Oil prices are rising, but exports below 2009 targets

Crude Oil Update:

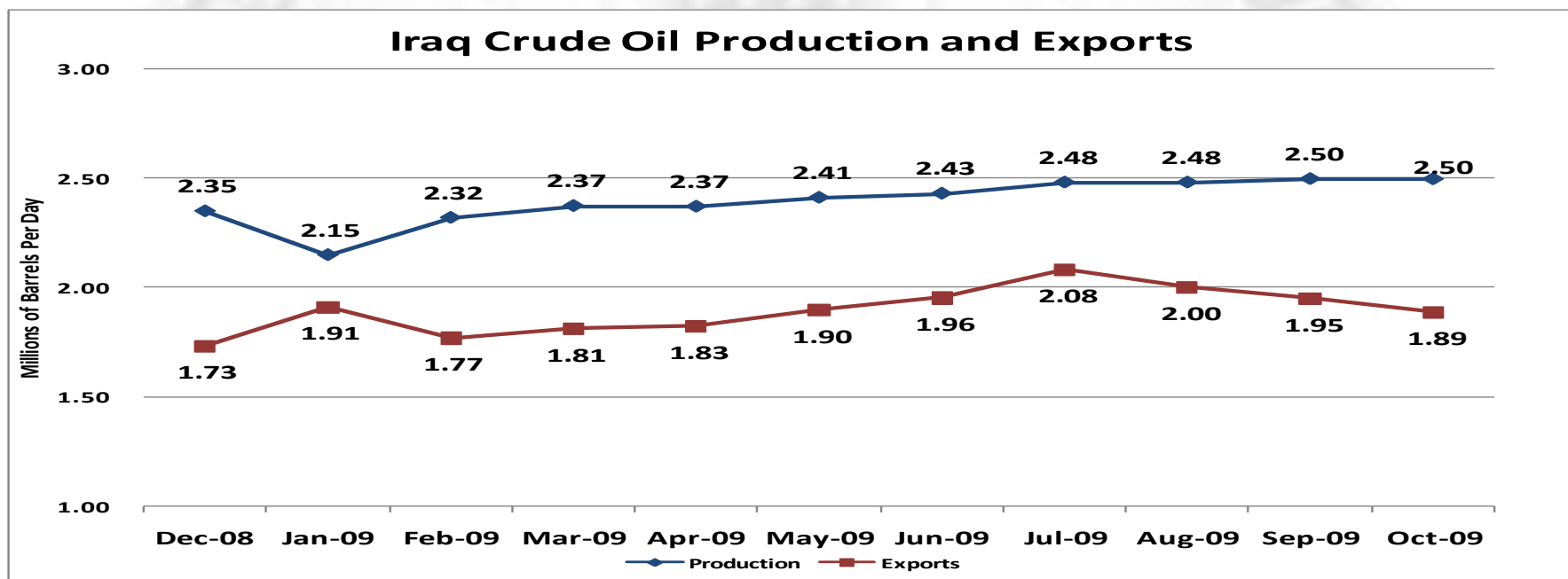
Price averages in world markets closed with the following prices:

Basrah Light at \$74.96/barrel

Dated Brent at \$75.98/barrel

WTI Cushing at \$75.51/barrel

Oman/Dubai at \$77.29/barrel



Revenue estimates:

2007: \$41.0 Billion

2008: \$61.9 Billion

2009 (ytd): \$29 Billion

*Approximate estimate.

ECONOMIC – Oil



Iraq holds a signing ceremony to celebrate the inking of a final deal for the Rumaila oilfield

BP and CNPC Sign Final Agreement for Rumaila Field:

- The Government of Iraq, British oil company BP and its partner China National Petroleum Corporation signed a final deal on November 3 to develop the Rumaila field, Iraq's largest producing field. The 20-year service contract was the only contract awarded at Iraq's first oil and gas bid round in June 2009. BP holds a 38% stake in the venture and CNPC has 37% and Iraq's South Oil Company has the remaining 25%.

Agreement Signed with Eni-led Consortium for Zubair Oilfield:

- Iraq's Ministry of Oil signed an agreement on November 2, 2009, with a consortium led by Italian oil company Eni to develop the Zubair oilfield. The consortium, which also included energy partners Occidental Petroleum Corp. and South Korea's KOGAS, is expected to invest \$10 billion in the field as they work to increase the field's production from 195,000 bpd to 1.125 million bpd over the course of seven years. Now the contract must be approved by the Council of Ministers before this deal can become official.

ECONOMIC – Oil



Iraq holds a signing ceremony to celebrate the inking of a final deal for the Rumaila oilfield

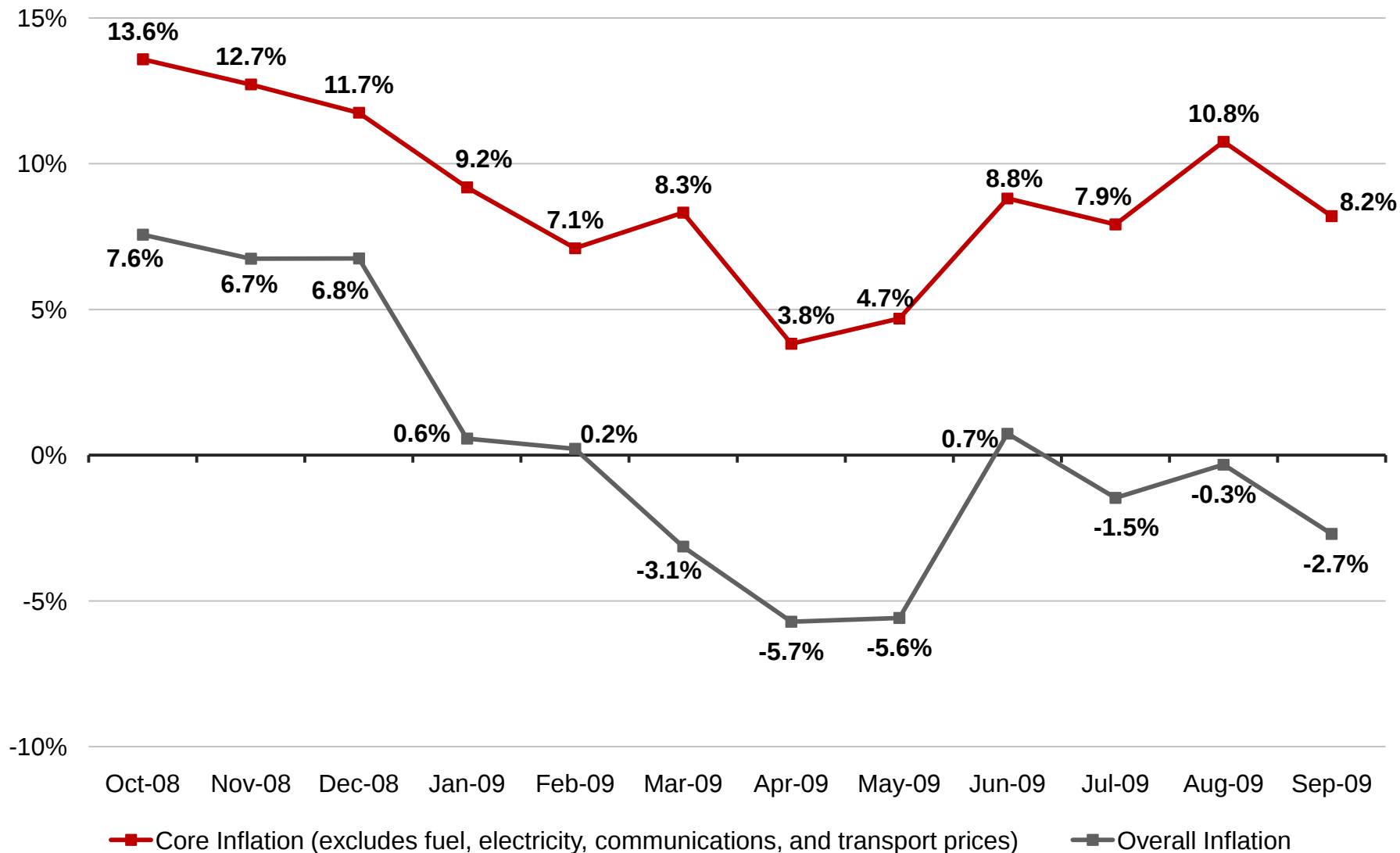
Shaikan Oil Field Findings “Significant”:

- Ministry of Oil spokesperson Asim Jihad said on October 28 that the pipeline to the Turkish port of Ceyhan would resume pumping shortly after it was damaged by an explosion on October 26. Police in Mosul attributed the attack to insurgents.

ECONOMIC - Fiscal and Monetary Affairs



Year-on-Year Inflation



ECONOMIC – Fiscal and Monetary Affairs



Negotiations continue between Iraq and the IMF over \$5.5 billion loan

Economic Indicator	This Week	Last Week	Last Month	Last Year
Iraqi Commercial Bond Sales				
Price (USD)	\$76.67	\$77.31	\$76.79	\$66.08
Yield	8.31%	8.22%	8.31%	10.96%

ECONOMIC – Private Sector



With its push to draw investors continuing, Iraq signs several deals

Deal Signed with Toyota Tsusho to Purchase Power Transformers:

- Iraq signed a \$13.6 million deal with Japan's Toyota Tsusho to purchase eight power transformers and six auxiliary units. Ministry of Electricity spokesperson Ibrahim Zaidan confirmed the deal but did not give extensive details.

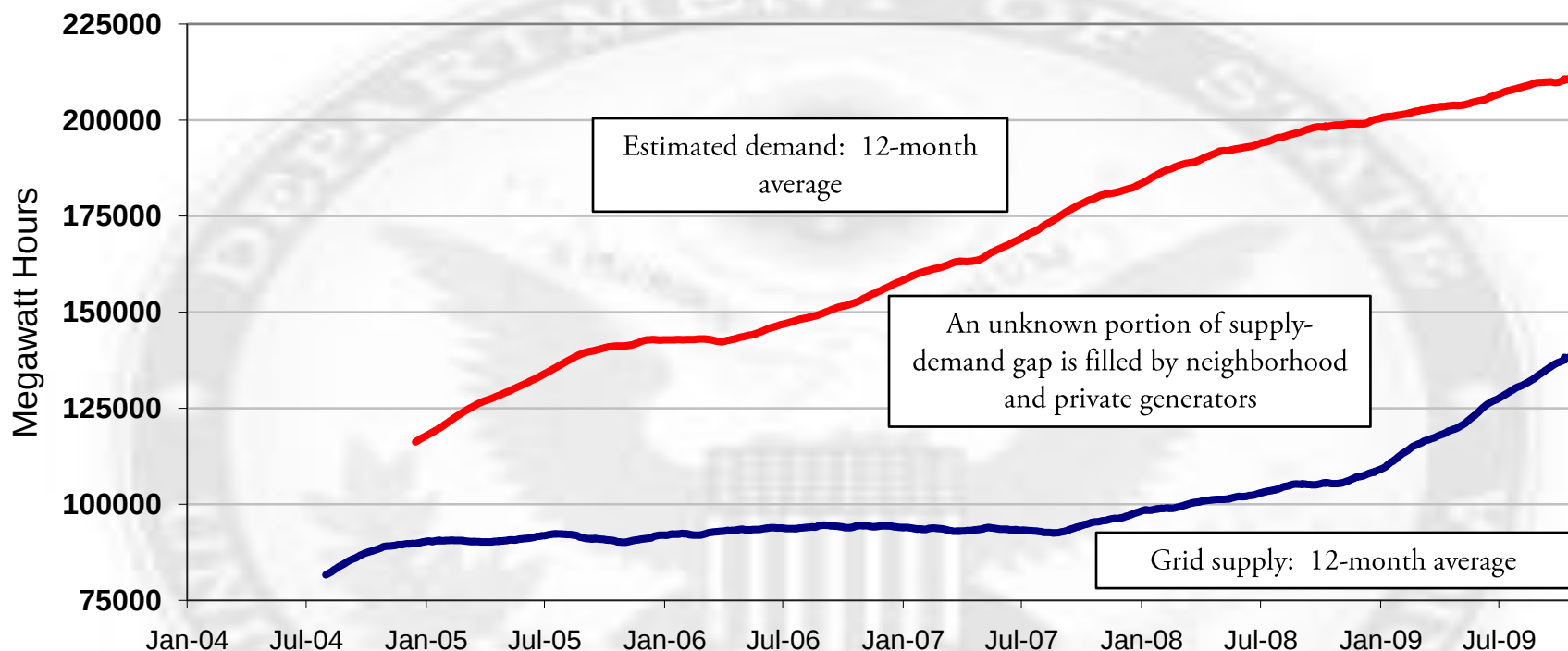
Aeroports de Paris Wins Contract to Build New International Airport:

- French airport operator Aeroports de Paris won a contract to develop plans for a new international airport in Iraq. According to Minister of Transportation Amer Abdul-Jabbar, the contract is valued at around \$42.5 million and would be built between the cities of Karbala, Najaf and Hillah. Abdul-Jabbar said the goal was to have the new airport operational within the next three to five years and have an initial capacity of five million passengers per year, eventually reaching 35 million per year.

Public Services – Electricity



Daily Electricity Supply from the Grid and Estimated Daily Demand



- Electricity supply from the grid was 26% above the year-earlier period and met 71% of estimated demand, compared with 60% for October 2008.
- Estimated October average hours of power after meeting demand from essential services: Iraq 16 and Baghdad 16. For October 2008: Iraq 13 and Baghdad 9.

Beyond Baghdad



Business training for women in Ninewa

“...we will help Iraq's institutions strengthen their capacity to protect the rule of law, confront corruption, and deliver basic services.”

President Barack Obama

Recent Highlights

Ninewa

Ninewa PRT has begun a business training and skills building program for women's associations in the province. The women learn how to develop a business plan and then present a proposal for funding. The training and business development is designed to provide a source of “sustainable group income, while also providing some educational value for its members such as basic computer skills or vehicle driver's training.”

Basrah

Over \$97,000 in micro-grants were presented to 30 entrepreneurs in Basrah as part of small business development in the province. The grants, awarded following participation in a PRT-led mentoring program, will help finance new businesses and improve those already in existence. The PRT economic team lead said the initiative's goal was rapid business development. Recipients underwent a screening process to check sustainability and capital requirements. Business owners were also taught cost analysis, developing a business plan, and establishing benchmarks.



CONTACT INFORMATION

This brief draws from multiple sources. References are cited on the following pages.

For additional information, please see:

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<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of State, Section 1227 Report on Iraq
<http://2001-2009.state.gov/p/nea/rls/rpt/>
- Department of Defense, Section 9010 Measuring Stability and Security in Iraq
http://www.defenselink.mil/home/features/Iraq_Reports/index.html

Please forward all questions and/or comments to:

NEA-I-IPOG-DL@state.gov



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- KRG Statement, October 31, <http://www.krg.org/articles/detail.asp?rnr=223&lngnr=12&smap=02010100&anr=32216>, AFP - http://news.yahoo.com/s/afp/20091030/wl_mideast_afp/iraqturkeykurdsdiplomacy

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- Reuters, November 2, <http://www.reuters.com/article/ELECTU/idUSL253670220091102>, <http://uk.reuters.com/article/idUKL233636420091102>

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- October 12, MNF-I website, http://www.mnf-iraq.com/index.php?option=com_content&task=view&id=28278&Itemid=224
- Source for President Obama's Quote: http://www.whitehouse.gov/the_press_office/Remarks-of-President-Barack-Obama-Responsibly-Ending-the-War-in-Iraq/